

~~SECRET~~

~~Security Information~~

Outline of Procedural Operations to be Used for Developing Detailed Accounting and Supply Procedures for Purposes of Establishing and Maintaining Financial and Stock Control of Property

1. Preparation of "Shopping List" by Coordination and Requirements Division.
2. Discussion of "Shopping List" and other operational requirements with offices or divisions administering the Projects.
3. Submission of "Shopping List" as amended by other operational requirements to Armed Services for purposes of determining availability in terms of delivery schedule attached thereto, giving consideration to inventory balances on hand and estimated deliveries.
4. Coordination and Requirements Division will review requirements and based on trial balances of inventory on hand submitted by the Supply Division determine which items are available from stock and which require procurement action.
5. Procurement requirements will be extended and computed, and presented to the Budget Division as appropriate justification material.
6. Budget Division will determine availability of Unallotted Appropriations and depending on conditions applicable to the submission of the procurement requirements:
 - a. Incorporate the procurement requirements in the annual budget submission.
 - b. Allot funds to cover estimated procurement.
7. Approved requirements or requisitions to be covered by purchase documents will be submitted to the Purchase Division for prevalidation prior to preparation or issue of the purchase document. The Purchase Division will maintain memorandum records of all prevalidation transactions, which records are subject to adjustment based on purchase documents executed and issued.
8. The Supply Division will abstract requirements by type of procurement to be effected by a procurement unit, such as, Military Purchase Branch, Special Purchase Branch and Civilian Purchase Branch.
9. Purchase Division will effect procurement and distribute copies of purchase documents to source of supply (supplier), as appropriate.

~~SECRET~~

~~SECRET~~
Security Information

a. Supply Division will record the procurement action as "Due In" in the Stock Status Record showing receipts and issues to projects, availability of inventories, procurement action (estimated deliveries).

b. Purchase Division will maintain follow-up file.

c. The accounting division will record the obligation incurred in the Allotment Account established for the Procurement of Operational Equipment and Supplies.

10. Operational equipment and supplies delivered to depots will be covered by Receiving Vouchers properly cross-referenced to the purchase documents, coded, priced, extended, and forwarded to Supply Division for distribution of copies. Equipment and supplies received will be recorded in the stock records by warehouse location.

11. Supply Division will verify correctness of information on receiving vouchers, and

a. Distribute original and copies by transmittal document to:

Purchase Division
Finance Division (original)
Supply Division
Other interested offices

b. Record the receipt of material in the Central Stock Records, i.e., Stock Status Record, by depot location.

12. Purchase Division will close its files.

13. Finance Division will record in the inventory control accounts the cost of the material placed in stores, and:

a. Match receiving reports with purchase documents, in those instances where payment for material is to be effected with unvouchered funds, pending advice of payment.

b. Transmit appropriate copies of receiving reports to the Fiscal Division, in those instances where payment for material is to be effected with vouchered funds.

14. Advances to employees to cover "Special Purchase (direct cash or over the counter) transactions" will be recorded by the Finance Division as an amount subject to an "accounting" by the employee receiving the advance.

~~SECRET~~
Security Information

~~SECRET~~

Security Information

15. Based on evidence of payment to the supplier by the Agency the Finance Division will:

a. Reduce its liability for the property received with offsetting credit to appropriate accounts for:

- (1) Payments made by the Fiscal Division
- (2) Payments made by the Finance Division
- (3) Payments made for over the counter purchases.

b. Record the payment as an expenditure in the allotment account.

c. Debit or credit an "Inventory Cost Adjustment" account, as appropriate, for the difference between acquisition cost as recorded in the financial inventory control accounts and actual cost as evidenced by payment.

16. Requisitions, to be applied against available stock balances, received by the Supply Division will be reviewed for authorization, priced and coded by project or activity code. Shipping instructions in the form of copies of requisitions, issue slips, etc., will be forwarded to the depot from which shipment is to be made. The Supply Division will:

a. Record the shipping instruction as an issue in the control records

b. Accumulate Finance Division copies of the shipping instruction (stock issue) until month end for transmittal in support of an IBM tabulation proved against the current month's issues as recorded in the stock control records

c. Distribute copies of shipping instructions to other interested offices

d. Prepare separate tabulation properly documented by receiving reports and issues for direct cash purchases delivered direct to the requisitioning office or placed in stores.

17. Based on receipt of shipping instruction documents the depot will effect shipment and:

a. Properly extend all copies of the shipping documents based on actual shipment

b. Transmit appropriate copies of the completed documents to the Supply Division for appropriate action.

~~SECRET~~

Security Information

~~SECRET~~

Security Information

18. Based on evidence of delivery, the Supply Division will:

a. Compare actual shipments with the shipping instructions.

b. Adjust its stock records for overages and shortages based on documentation prepared by the Supply Division:

(1) Short shipments will be recorded as acquisitions.

(2) Over shipments will be treated as issues.

c. Make appropriate distribution of copies to Finance Division and other interested offices in the normal manner.

The Finance Division will treat "short shipments" as a credit to project costs and "over shipments" as a charge with offsetting debit or credit to the appropriate financial inventory control account.

19. Based on receipt of the IBM tabulation from the Supply Division supported by copies of shipping documents the Finance Division will:

a. Verify correctness of charges and cost distribution thereof.

b. Effect transfer of charges to projects for the cost of the material issued from stock.

c. Render an accounting to the Fiscal Division for costs charged to projects during the current month.

20. Stock transfers between depots located within the continental limits of the U.S. will be handled as follows:

a. The Supply Division will distribute copies of transfer orders to both shipping and receiving depots and to other interested offices.

b. Based on copy of the shipping instruction (transfer order) the Supply Division will:

(1) Record the transfer order as an issue

(2) Prepare a debit voucher and record the transaction as material in transit pending receipt at destination.

c. Based on evidence of receipt (accomplished transfer order) at the receiving depot the Supply Division will:

~~SECRET~~

Security Information

~~SECRET~~

~~SECRET~~

Security Information

Based on evidence of receipt the following will occur:

a. The Supply Division will record the acquisition by warehouse location.

b. The Finance Division will record the acquisition with an offsetting credit to "Donated Equipment".

25. Transfers of equipment from other Government agencies, with or without transfer of funds will be handled as follows:

a. Equipment received without transfer of funds will be handled as indicated in item 24 above.

b. Equipment received involving a transfer of funds will be handled the same as any other purchase transaction, regardless of condition of the equipment.

26. Equipment returned to stock by projects will be treated in the same manner as "Donated Equipment" referred to in item 24 above except that offsetting credit in the Finance Division Records will be to a miscellaneous cost credit account. No attempt will be made to reduce the cost of the project or activity returning the equipment in the accounts maintained by the Finance Division.

~~SECRET~~

Security Information